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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 1992

Marketing Educational Corporation

State of Incorporation: Florida

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NQ2-2234

I.R.S. Employer Identification No. 62-1299374

4087 Summer Avenue, Suite 240
Memphis, Tennessee 38122

(901)458-6880

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Marketing Educational Corporation

Date May 5, 1992

Frank B. Goodman
Chief Financial Officer

Date MAY 5, 1992

L. Richard Vanover
President

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ITEM 1.

MARKETING EDUCATIONAL CORPORATION

FINANCIAL STATEMENTS

March 31, 1992

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MARKETING EDUCATIONAL CORPORATION

BALANCE SHEET

March 31, 1992

Assets

Current Assets	
Cash and cash equivalents	$ 2,601
Fixed Assets (note 1)	
Computers, software systems	18,261
Telephone systems	19,500
Furniture and fixtures	18,352
Leasehold improvements	13,209
	69,322
Less accumulated depreciation	26,182
	43,140
Other Assets	
Leads, net of accumulated amortization of $17,502 (note 1)	17,498
Total assets	$ 63,239

Liabilities and Stockholders' Equity

Current Liabilities	
Accounts payable	$ 83,360
Accrued salaries payable (note 2)	255,000
Total current liabilities	338,360
Other Liabilities	
Note payable - stockholder (note 2)	77,725
Stockholders' Equity (Deficit)	
Common Stock	72,000
Additional paid-in capital (note 3)	76,262
Retained earnings	(501,108)
Total stockholders' equity (deficit	(352,846)
Total liabilities and stockholders' equity (deficit)	$ 63,239

MARKETING EDUCATIONAL CORPORATION

STATEMENTS OF INCOME (LOSS)

For the Three Months Ended March 31

	1992	1991
Sales	$ 152,301	$ 491,003
Cost of Sales		
Purchases	1,302	15,486
Commissions	67,671	90,307
Total cost of sales	68,973	105,793
Gross Profit	83,328	385,210
Expenses		
Selling, general and administrative expense	16,000	23,691
Depreciation and amortization	5,932	5,932
Total expenses	21,932	29,623
Income before extraordinary items	61,396	355,587
Extraordinary Items (note 1)		
Loss on sale of accounts receivable	115,094	390,073
Net income (loss)	$ (53,698)	$ (34,486)
Earnings (loss) per share	$ (.0612)	$ (.0406)

MARKETING EDUCATIONAL CORPORATION

STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

	Common Stock Shares	Par Value	Common Stock	Additional Paid-In Capital	Retained Earnings (Deficit)
Balance at December 31, 1990	850,000	$.001	$850	$76,262	$(261,148)
Net income (loss) quarter ended March 31, 1991					(34,486)
Balance at March 31, 1991	850,000	$.001	$850	$76,262	$(295,634)
Net income (loss) quarter ended June 30, 1991					(52,304)
Balance at June 30, 1991	850,000	$.001	$850	$76,262	$(347,938)
Net income (loss) quarter ended Sept. 30, 1991					$28,517)
Class A Warrants 10,000 @ $2.50	10,000		25,000		
Balance at September 30,1991	860,000	$.001	$25,850	$76,262	$(376,455)
Net income (loss) quarter ended December 31, 1991					(70,955)
Class A Warrants 3,980 @ $2.50	3,980		9,950		
Balance at December 31, 1991	863,980	$.001	$35,800	$76,262	$(447,410)
Net income (loss) quarter ended March 31, 1992					(53,698)
Class A Warrants 12,600 Exercised	12,600		36,200		
Balance at March 31, 1992	876,580	$.001	$72,000	$76,262	$(501,108)

MARKETING EDUCATIONAL CORPORATION

STATEMENT OF CASH FLOWS

For the Three Months Ended March 31

Cash flows from (used for) operating activities:	
Net income (loss)	$(53,698)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	5,932
(Decrease) in accounts payable	(4,205)
Increase in accrued salaries payable	39,000
Total adjustments	40,727
Net cash (used for) operating activities	(12,971)
Cash flows from 12,600 Warrants	
2,000 exercised at $ 5.00	36,200
600 exercised at $ 2.00	
10,000 exercised at $ 2.50	
Cash flows from (used for) financing activities:	
Borrowings from stockholder	4,300
Principal payments on note to stockholder	(34,595)
Net cash from financing activities	(30,295)
Net increase (decrease) in cash and cash equivalents	(7,066)
Cash and cash equivalents at the beginning of the period	9,667
Cash and cash equivalents at the end of the period	$ 2,601

MARKETING EDUCATIONAL CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 1992

Note (1) - Summary of Significant Accounting Policies

Marketing Educational Corporation (the Company, formerly International Marketing Educational Corporation, IMEC) has offices in Tennessee and California and sells educational materials to individuals.

During the year ended December 31, 1990, the Company changed its accounting method from the cash-basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP), to the accrual basis of accounting which is in accordance with GAAP. Results of operations of the prior period have not been adjusted to conform with the accounting principles used in the current period.

The Company currently sells its accounts receivable at a significant discount with no recourse. Therefore, there are no receivables or allowances for bad debts.

Fixed assets are stated at cost, except the assets acquired from the acquisition, which are stated at fair market value (see note 3). Depreciation is provided using the straight line method over the estimated useful lives of the assets ranging from five to seven years.

Leads are individual sales leads that have been developed from telephone and mailing lists that have been purchased from several unaffiliated companies. Leads are valued at $.35 each are being amortized over three years.

For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Note (2) - Related Party Transactions

The Company has a note payable to a stockholder in the amount of $77,725. The note bears no interest and is due on demand.

The Company owes a stockholder $255,000 in unpaid salary.

Note (3) - Acquisition

In May, 1990, IMEC, a Tennessee Corporation, acquired United Advertised Products (UAP), a sole proprietorship with offices in California. Stock from the sole stockholder was traded for the

MARKETING EDUCATIONAL CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 1992

Note (3) - Acquisition (continued)

assets of the acquired company and the acquisition was accounted for as a purchase. Fixed assets with a market value of $56,262 and leads valued at $20,000 were acquired and additional paid-in capital was credited $76,262.

The statement of income (loss) for the three months ended March 31, 1992 does not reflect the operations of the acquired company.

Note (4) - Contingencies and Commitments

The Company has entered into a letter of intent to merge with All American Capital Fund, Inc. Pursuant to the proposed merger, the Company will issue 150,000 shares of common stock, 300,000 Class A Warrants and 150,000 Class B Warrants in exchange for all of the outstanding common stock of All American Capital Fund Inc.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operation for the Three Months Ended March 31, 1992

Marketing Educational Corporation (the "Company") had net sales of $152,301 for the three months ended March 31, 1992, a 68% decrease from net sales of $491,003 for the three months ended March 31, 1991. The gross profit margin, gross profits as a percentage of net sales, for the three months ended March 31, 1992 and 1991 were 54% and 78%, respectively. The decrease in the comparative gross profit margins is primarily attributable to a decrease in volume of sales. Cost of sales decreased primarily due to decreased commission payouts. Commissions increased to 44% of sales for the three months ended March 31, 1992 compared to 18% of sales for the three months ended March 31, 1991. Additionally general and administrative expenses decreased $7,691 from $23,691 for the quarter ended March 31, 1991 to $16,000 for the quarter ended March 31, 1992. This decrease is due to management's efforts to reduce overhead as much as possible.

The Company reported a net loss of $53,698 for the three months ended March 31, 1992, an increase of $19,212 from a net loss of $34,486 for the three months ended March 31, 1991. Net loss per common share increased $.0206 per share to $.0612 for the three months ended March 31, 1992 compared to a $.0406 loss per share for the three months ended March 31, 1991.

Net loss increased primarily due to the small decrease in extraordinay loss on sales of accounts receivable which was 75% of gross sales for the period ended March 31, 1992 compared to 79% for the period ended March 31, 1991.

Liquidity and Capital Resources at March 31, 1992

Current assets were $2,601 at March 31, 1992, a decrease of $5,121 from current assets of $7,722 existing on March 31, 1991. Current liabilities increased $205,717 to $338,360 from March 31, 1991 to March 31, 1992. This increase is primarily due to accrued salaries which increased from $99,000 at March 31, 1991 to $255,000 at March 31, 1992.

Notes payable to stockholders decreased to $100,242 at March 31, 1992 from $177,967 at March 31, 1991.

In the event the Company is unable to obtain working capital by means of additional capital or financing, the Company may be unable to continue as a going concern.

The Company has an issue of warrants outstanding and is depending on the exercise of those warrants to furnish capital to finance its activities. Management believes that these funds would allow the company to reduce the extraordinary loss on sales of accounts receivables to the point that the company will be profitable.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

As of January 1, 1992, there were 863,980 shares issued and outstanding. As of March 31,1992, there were 876,580 shares issed and outstanding. During the quarter ended March 31, 1992 there were 12,600 warrants exercised bringing the total number of shares issued and outstanding to 876,580 shares creating additional capital in the amount of $36,200.